

Department of Public Health
and Human Services

Section:
BENEFIT ISSUANCE

TANF CASH ASSISTANCE

Subject:
Payment Methods

Supersedes: 1201-1 (07/01/05)

References: ARM 37.78.102; MCA 17-8-303 and 17-8-306

≥ GENERAL RULE –TANF participants can choose one of three different ways to receive their TANF cash assistance. These are summarized below for each payment method. Participants must be provided all information about the TANF payment options before they can make an informed selection.

**≥PRESENTING
PAYMENT
OPTIONS TO
PARTICIPANTS** Every TANF cash assistance household must sign off on the “TANF Cash Assistance Payment Selection Form” (HCS-180) each time they apply for benefits or change the method of payment. This form explains the options available to participants under the new EBT system, but does not answer every question, which is why the face-to-face interview and explanation are necessary.

**SWITCHING
PAYMENT
METHODS** TANF participants can select a new payment method at any time. For example, a participant may have elected to continue receiving a check at initial EBT conversion, but after using the Montana Access card for food stamps, he or she may decide to use EBT for TANF cash assistance as well.

When the participant has selected a new payment method, the Eligibility Case Manager must update the TANF PMT METHOD field on EXPD screen.

WARRANT **Check Received in the Mail**

Advantages:

Once participants cash their checks, they have access to all of their money.

Participants receive checks in the mail the first working day of the month after authorization and issuance.

Disadvantages:

Some participants have trouble finding a place to cash their check, or have to pay fees to cash the check.

DIRECT DEPOSIT Participant's Bank AccountAdvantages:

The deposit is made into the participant's account on the first banking day of the month after authorization and issuance (eliminating the wait for the mail to arrive).

Many banks offer a no-fee, no-minimum-balance checking or savings account when a person is having money directly deposited into the account.

Once the benefit is deposited, participants could get their money by using a debit card, writing a check, or withdrawing money from the bank.

Disadvantages:

Some participants have credit problems and cannot open a checking or savings account.

Participants will not receive a confirmation of the deposit. If a participant writes checks without first confirming that a deposit was made, the participant could have overdrawn accounts and service charges if for some reason the benefits were not authorized.

Some participants have a garnishment orders against them and money deposited in an account may be garnished (for child support or debts). Public assistance cannot be garnished. However, the bank may not be able to tell if the deposit is public assistance or the funds in the account may be commingled with other money (e.g., wages). If the money were taken through garnishment, it would be the participant's responsibility to request the money back. This should be discussed with his/her bank.

EBT**Montana Access EBT Card**

All customer service for the EBT system, such as, requesting a replacement EBT card, selecting a Personal Identification Number (PIN) and account balance inquiries is being handled through the Interactive Voice Response (IVR) system. **The toll free phone number is 1-866-850-1556.**

Advantages:

Benefits are available the first calendar day of the month after authorization and issuance, even on a weekend or holiday.

Participants can use their card to purchase items at most Food Stamp retailers.

Participants can access cash at ATM's.

Disadvantages:

Fees may be charged to the participant to access the ATM. Most charge a service fee between \$1.00 and \$2.00, but it could be even higher depending on the ATM.

While the Montana Access card does not impose a limit, many ATMs limit the amount of cash that can be withdrawn from the ATM each day.

Some retailers offer the option of receiving cash back with a purchase or withdrawing cash without a purchase. The retailers may limit the amount of cash they are willing to give out at a time, and may charge a fee to provide cash.

The OPA cannot have a list of retailers that give out money and cannot direct participants as to which retailer to use. It will be up to participants to obtain this information for themselves and to watch for the Montana Access Card logo.

If the participant gives his or her PIN number and card to another person, that person can access the cash. (For example: A boyfriend who is included in the food stamp assistance but not in TANF cash assistance could access the TANF cash using the same card and PIN used to access the food stamp benefits.)

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The pin number can be changed by anyone with knowledge of the participant's name, social security number, date of birth and mailing address. If identity is stolen, the perpetrator can change the pin number and access the funds. However, by contacting the toll free number the participant can request to add a password in addition to the pin number, which would provide additional security.

**≥REPLACEMENT
OF EBT CARD**

Montana has determined the cost of a replacement Montana Access EBT card to be \$2.00. The participant's first card will be created and mailed for free upon approval of the application. Any replacements of

Montana Access EBT cards will be charged the \$2.00 replacement fee, **regardless** of the circumstances.

The Montana Access EBT card is used to access food stamp, TANF Cash assistance and child support payments. When a participant requests a replacement card the EBT system will check to see what benefits/payments are currently available in the Montana Access account(s).

If the participant is receiving food stamp only benefits, the EBT system will deduct the \$2.00 fee from the food stamp allotment. If the participant is receiving food stamps, TANF Cash assistance and/or child support payments, the system will first attempt to deduct the \$2.00 fee from the food stamp allotment. If there is not a sufficient amount in the food stamp EBT account and the participant is receiving TANF Cash or child support payments, the system will deduct the \$2.00 fee from TANF Cash first and child support second. If there is not a sufficient amount of funds in any account, the EBT system will issue the card and deduct the funds at the next benefit issuance.

Because participants are charged a \$2.00 card replacement fee, it is important OPA Case Managers advise them of this policy. Participants should also be reminded at redetermination to keep their card in a safe place and never throw it away, **even if their case closes**. There are no exceptions for replacement card fees.

DIRECT DEPOSIT

If the participant selects direct deposit on the HCS-180 form, the household must complete the "Direct Bank Deposit Authorization Form" (HCS-179). This form explains that if a household changes banks they must give the Eligibility Case Manager four weeks' notice to make the change. This is because there is a 28-day "prenote" period between the time the direct deposit information is entered in TEAMS and the first direct deposit occurs. (A "prenote" is a test file that is sent to the bank to ensure the account information is valid.) Until the prenote date has passed, benefits are issued by check.

Households must attach a voided check (for a checking account) or a voided deposit slip (for a savings account) to the HCS-179. The form must be kept in the case file. Account information from the HCS-179 is entered on the DIDE screen. The routing number is always the lower left number on the check. The account number is in the middle on the bottom of the check and the check number is on the right.

What would happen if the prenote failed?

1. All failed prenote tests will be returned to Department of Administration (DOA).
2. DOA will contact DPHHS Fiscal.
3. Fiscal staff will contact the Eligibility Case Manager with this information.
4. The Eligibility Case Manager reviews TEAMS to make sure that the correct bank information was entered on DIDE. If the information entered on DIDE matches the information on the voided check, the Eligibility Case Manager contacts the participant to determine why the prenote failed.
5. Checks will be issued to the household until a successful prenote has been accomplished.

When a household has direct deposit and changes banks they will need to convert back to a warrant until 28 days after the prenote is sent to the new bank.

What would happen if the participant did not report that they have closed their bank account and a direct deposit is sent to a closed account?

1. All rejected or denied direct TANF direct deposits will be returned to Department of Administration (DOA).
2. DOA will contact DPHHS Fiscal.
3. Fiscal staff will send a replacement warrant and contact the Eligibility Case Manager with this information.
4. The Eligibility Case Manager will need to contact the participant to determine why the deposit failed.

Direct deposit is **not** allowed into a business checking account. It is also not allowed into a credit union account that has the Account Type code of 'CU' on the FIAC screen. If the household has a checking or savings account at a credit union, the Account Type code must be changed to 'PC' or 'SV' (as appropriate) on FIAC in order to enter direct deposit information. This is required because an account must be identified specifically as a checking or savings account for direct deposit. (Use the "Bank/Credit Union" name field to reflect this is a credit union).

Monthly deposits will be made to the participant's account on the first banking day of the month. For daily issuance, benefits will be available by the third banking day after the benefits were authorized in TEAMS. (This assumes the 28-day prenote period has already passed.)

**WARRANT
NUMBER ON
EXIH FOR TANF
BENEFITS**

The warrant number prefix on EXIH (in WARRANT NUMBER field) will identify how a payment was made.

The codes are as follows:

- TD** indicates payment was made by direct deposit;
- TE** indicates benefits were issued using the Montana Access EBT card;
- TF** indicates payment was made by check;
- SB** indicates that the check request has been sent to SABHRS; the check number and TF code should appear within 1 day; and
- AF** indicates payment was made by check (for benefit months prior to February 2001).

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